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AUG 10 2010

Mo Oil &amp; Gas Council

## NOTICE TO CANCEL PERMIT APPLICATION

TO THE MISSOURI OIL AND GAS COUNCIL:

*Please print*

Company Name: Osborn Energy  
Lease Name: Scott  
Well Number: 5-23  
Permit Number: 22394  
County: Bates

The above stated well has not been drilled and requires no remedial or plugging actions as required by the Missouri Oil and Gas Council Rules and Regulations.

I, the undersigned, state that I (your name & title) Curstin Hamblin of (company) Osborn Energy, am authorized to make this report; and that this report was prepared under my supervision and direction and the facts stated herein are true, correct, and complete to the best of my knowledge.

Signature: Curstin Hamblin

Date: 8-10-10



5 August 2009

Missouri Department of Natural Resources  
Missouri Oil & Gas Council

Attention: Joe Gillman

Mr. Gillman,

Osborn Energy, LLC has submitted an application for drilling permits for the Scott lease located in the North half of the Southeast Quarter of Section 23, Township 42, Range 33 in Bates County, Missouri.

We are requesting an exception for the regulation 10CSR50-2.70 for well spacing on the Scott lease. Previous operations have established well spacing of 2 ½ acres, which is an accepted well spacing unit in Eastern Kansas and Western Missouri oil fields for efficient recovery for reservoirs from 250 feet depths to 700 feet depths.

We appreciate your consideration in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Curstin Hamblin".

Curstin Hamblin for Osborn Energy, LLC



Jeremiah W. (Jay) Nixon, Governor • Mark N. Templeton, Director

## DEPARTMENT OF NATURAL RESOURCES

[www.dnr.mo.gov](http://www.dnr.mo.gov)

August 11, 2009

Ms. Curstin Hamblin  
Osborn Energy, LLC  
24850 Farley  
Bucyrus, KS 66013

RE: Scott lease spacing exemption

Dear Ms. Hamblin:

The Geological Survey Program has received a spacing exemption request for the Osborn Energy's Scott lease. Pursuant to the Department of Natural Resources rules and regulations title 10 CSR 50-2.070 (1) (B) 2, "Wells whose oil-producing formations may be reasonably expected to be less than 1200 feet in depth may be excepted from the 40 acre spacing requirement..." Osborn's request states that the primary oil reservoir beneath the Scott lease is expected to be less than 250-700 feet in depth. The State Oil and Gas Council encourages operators "to obtain the greatest possible economic recovery of oil" in Missouri. Therefore, Osborn's request for a spacing exemption on the Scott lease is granted.

If you have any questions, please feel free to contact me or Scott Kaden at P.O. Box 250, Rolla, Missouri 65402, telephone (573) 368-2183, or email at [scott.kaden@dnr.mo.gov](mailto:scott.kaden@dnr.mo.gov). Thank you for your request.

Sincerely,

DIVISION OF GEOLOGY AND LAND SURVEY

Joe Gillman, RG  
Director and State Geologist

JG:ta

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FORM OGC-31

AUG 14 2009



STATE OF MISSOURI  
MISSOURI DEPARTMENT OF NATURAL RESOURCES  
GEOLOGICAL SURVEY PROGRAM

## INJECTION WELL PERMIT APPLICATION

(TO DRILL, DEEPEN, PLUG BACK, OR CONVERT AN EXISTING WELL)

Mo Oil & Gas Council

### NOTE ▶

Permit approval for drilling only, not injection. Approval or denial for injection determined after Mechanical Integrity Test results reviewed and official notification given.

☒ APPLICATION TO DRILL    ☐ DEEPEN    ☐ PLUG BACK    ☐ FOR AN OIL WELL    ☐ OR GAS WELL

NAME OF COMPANY OR OPERATOR

Osborn Energy, LLC

DATE

8/13/2009

ADDRESS

24850 Farley

CITY

Bucyrus

STATE

KS

ZIP CODE

66013

### DESCRIPTION OF WELL AND LEASE

NAME OF LEASE

Scott

WELL NUMBER

5-23

ELEVATION (GROUND)

1022

WELL LOCATION

(GIVE FOOTAGE FROM SECTION LINES)

2310 ft. from ☒ North ☐ South section line    335 ft. from ☒ East ☐ West section line

WELL LOCATION

Sec. 23 Township 42 North Range 33 ☐ East ☒ West

LATITUDE

LONGITUDE

COUNTY

Bates

NEAREST DISTANCE FROM PROPOSED LOCATION TO PROPERTY OR LEASE LINE 335 FEET

DISTANCE FROM PROPOSED LOCATION TO NEAREST DRILLING, COMPLETED OR APPLIED - FOR WELL ON THE SAME LEASE 230 FEET

PROPOSED DEPTH

600

DRILLING CONTRACTOR, NAME AND ADDRESS

Osborn Energy, LLC Bucyrus, KS 66013

ROTARY OR CABLE TOOLS

APPROX. DATE WORK WILL START

8/20/2009

NUMBER OF ACRES IN LEASE

80

NUMBER OF WELLS ON LEASE INCLUDING THIS WELL, COMPLETED IN OR DRILLING TO THIS RESERVOIR 2

NUMBER OF ABANDONED WELLS ON LEASE 0

IF LEASE PURCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?

NAME

ADDRESS

NO. OF WELLS

PRODUCING 0

INJECTION 0

INACTIVE 0

ABANDONED 0

STATUS OF BOND

☐ SINGLE WELL  
AMOUNT \$

☒ BLANKET BOND  
AMOUNT \$ 30000.00

☒ ON FILE  
☐ ATTACHED

REMARKS: (IF THIS IS AN APPLICATION TO DEEPEN OR PLUG BACK, BRIEFLY DESCRIBE WORK TO BE DONE, GIVING PRESENT PRODUCING/INJECTION ZONE AND EXPECTED NEW INJECTION ZONE; USE BACK OF FORM IF NEEDED)

### PROPOSED CASING PROGRAM

### APPROVED CASING - TO BE FILLED IN BY STATE GEOLOGIST

AMOUNT	SIZE	WT/FT	CEM.	AMOUNT	SIZE	WT/FT	CEM.
20'	7"		portland				
600'	2 7/8"		portland				

I, the Undersigned, state that I am the \_\_\_\_\_ of the \_\_\_\_\_ (Company), and that I am authorized by said company to make this report, and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct, and complete to the best of my knowledge.

SIGNATURE

*Curtis Hamber*

DATE

8.13.09

PERMIT NUMBER

20394 22394

APPROVED DATE

10-20-09

APPROVED BY

*Joseph A. Hillman*

☒ DRILLER'S LOG REQUIRED

☒ CORE ANALYSIS REQUIRED IF RUN

☒ SAMPLES REQUIRED 10' cuttings

☐ SAMPLES NOT REQUIRED

☒ WATER SAMPLES REQUIRED AT 100, 200, 300 -- TD

☒ E-LOGS REQUIRED IF RUN

☒ DRILL SYSTEM TEST INFO REQUIRED IF RUN

Drexel

# 22394

RECEIVED

<b>NOTE ►</b>	THIS PERMIT NOT TRANSFERABLE TO ANY OTHER PERSON OR TO ANY OTHER LOCATION. APPROVAL OF THIS PERMIT BY THE OIL AND GAS COUNCIL DOES NOT CONSTITUTE ENDORSEMENT OF THE GEOLOGIC MERITS OF THE PROPOSED WELL NOR ENDORSEMENT OF THE QUALIFICATIONS OF THE PERMITTEE	
MO 780-0212 (09-01) REMIT TWO (2) COPIES TO: MISSOURI OIL AND GAS COUNCIL, PO BOX 250, ROLLA, MO 65402 573/368-2185		
I, _____ of the _____ (Company), confirm that an approved drilling permit has been obtained by the owner of this well. Council approval of this permit will be shown on this form by presence of a permit number and signature of authorized council representative.		
DRILLER'S SIGNATURE		DATE
<b>PROPOSED OPERATIONS DATA</b>		
PROPOSED AVERAGE DAILY INJECTION,	PRESSURE <u>300</u> PSIG, RATE <u>100</u> BPD/GPM, VOLUME <u>100</u> BBL/GAL	
APPROVED AVERAGE DAILY INJECTION, (TO BE FILLED IN BY STATE GEOLOGIST)	PRESSURE <u>300</u> PSIG, RATE <u>100</u> BPD/GPM, VOLUME <u>100</u> BBL/GAL	
PROPOSED MAXIMUM DAILY INJECTION,	PRESSURE <u>400</u> PSIG, RATE <u>100</u> BPD/GPM, VOLUME <u>100</u> BBL/GAL	
APPROVED MAXIMUM DAILY INJECTION, (TO BE FILLED IN BY STATE GEOLOGIST)	PRESSURE <u>400</u> PSIG, RATE <u>100</u> BPD/GPM, VOLUME <u>100</u> BBL/GAL	
ESTIMATED FRACTURE PRESSURE GRADIENT OF INJECTION ZONE <u>.43</u> PSI/FOOT		
DESCRIBE THE SOURCE OF THE INJECTION FLUID <u>Water</u>		
<b>NOTE ►</b>	SUBMIT AN APPROPRIATE ANALYSIS OF THE INJECTION FLUID. (SUBMIT ON SEPARATE SHEET)	
DESCRIBE THE COMPATIBILITY OF THE PROPOSED INJECTION FLUID WITH THAT OF THE RECEIVING FORMATIONS, INCLUDING TOTAL DISSOLVED SOLIDS COMPARISONS		
NA -		
GIVE AN ACCURATE DESCRIPTION OF THE INJECTION ZONE INCLUDING LITHOLOGIC DESCRIPTIONS, GEOLOGIC NAME, THICKNESS, DEPTH, POROSITY, AND PERMEABILITY.		
✓ Squirrel Sandstone 379' - 448'		
GIVE AN ACCURATE DESCRIPTION OF THE CONFINING ZONES INCLUDING LITHOLOGIC DESCRIPTION, GEOLOGIC NAME, THICKNESS, DEPTH, POROSITY, AND PERMEABILITY.		
✓ Ardmore Limestone - 454 - 463' Summit Shale & underlying shale - 359 - 377		
SUBMIT ALL AVAILABLE LOGGING AND TESTING DATA ON THE WELL		

00/10/2000 10:20 AM 0100000000  
GIVE A DETAILED DESCRIPTION OF ANY WELL NEEDING CORRECTIVE ACTION THAT PENETRATES THE INJECTION ZONE IN THE AREA OF REVIEW (1/2 MILE RADIUS AROUND WELL). INCLUDE THE REASON FOR AND PROPOSED CORRECTIVE ACTION.

None

MO 780-0212 (08-01)

REMIT TWO (2) COPIES TO: MISSOURI OIL AND GAS COUNCIL, PO BOX 250, ROLLA, MO 65402 673/388-2166.

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AUG 14 2009

Mo Oil & Gas Council



STATE OF MISSOURI  
MISSOURI DEPARTMENT OF NATURAL RESOURCES  
GEOLOGICAL SURVEY PROGRAM  
**INJECTION WELL LOCATION PLAT**

RECEIVED

AUG 14 2009

FORM OGC-41

Mo Oil & Gas Council

OWNER'S NAME

Osborn Energy, LLC

LEASE NAME

Scott 5-23

#22394

COUNTY

Bates

WELL LOCATION

(GIVE FOOTAGE FROM SECTION LINES)

2310 ft. from ☒ North ☐ South section line 335 ft. from ☒ East ☐ West section line

WELL LOCATION

Sec. 23 Township 42 North Range 33 ☐ East ☒ West

Drexel

LATITUDE

LONGITUDE

~~~~~ Lease Line  
||| Section Line

N



CTR  
23

4-23  
5-23  
3-23

1-23  
2-23

REMARKS

**INSTRUCTIONS**

On the above plat, show distance of the proposed well from the two nearest section lines, the nearest lease line, and from the nearest well on the same lease completed in or drilling to the same reservoir. Do not confuse survey lines with lease lines. See rule 10 CSR 50-2.030 for survey requirements. Lease lines must be marked.

This is to certify that I have executed a survey to accurately locate oil and gas wells in accordance with 10 CSR 50-2.030 and that the results are correctly shown on the above plat.

REGISTERED LAND SURVEY

NUMBER



Osborn Energy, LLC

24850 Farley, Bucyrus, KS 66013  
Phone 913.533.9900 Fax 913.533.9955

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JAN 25 2010

Mo Oil & Gas Council

1/22/2010

MDNR  
Geological Survey Program  
PO Box 250  
Rolla, MO 65402

Dear Jeffrey Jaquess,

Osborn Energy, LLC, a Kansas corporation having its principal place of business at 24850 Farley, Bucyrus, KS 66013 is requesting an extension of 180 days for the approval of the OGC-3 and/or OGC-3I forms for the following wells.

| Lease Name | Well Number | Permit Number |
|------------|-------------|---------------|
| Bagby      | 1-4         | 20379         |
| Bagby      | 10-32       | 20393         |
| Bagby      | 3-32        | 20383         |
| Bagby      | 7-32        | 20388         |
| Bagby      | 8-32        | 20389         |
| Bagby      | 9-32        | 20390         |
| Scott      | 2-23        | 20387         |
| Scott      | 3-23        | 20391         |
| Scott      | 4-23        | 20392         |
| Scott      | 5-23        | 20394         |

Sincerely,

Curstin Hamblin  
Geologist  
Osborn Energy, LLC.